

**LOCATIONS:**

117 PARK CENTER ST.
BROUSSARD, LA 70518
Phone: (337) 839-1075
Fax: (337) 839-1072

11511 KATY FREEWAY
SUITE 630
HOUSTON, TX 77079
Phone: (337) 839-1075
Fax: (337) 839-1072

CONTACTS:

JACOB GUSTIN
GENERAL MANAGER
(337) 839-1075 xt 222
jgustin@hlpengineering.com

STORMY MANDELLA
ADMINISTRATOR
AIR SERVICES
(337) 839-1075 xt 241
smandella@hlpengineering.com

COLLUS ROCHE
ADMINISTRATOR
WATER SERVICES
(337) 839-1075 xt 230
collus@hlpengineering.com

JAMIE NEASE
MANAGER – LA/MS/OK/WY/AR
AIR
(337) 839-1075 xt 237
jnease@hlpengineering.com

NICHOLAS FITZMORRIS
MANAGER – TX/AL AIR
(337) 839-1075 xt 223
nfitzmorris@hlpengineering.com

MARLA BEGNAUD
MANAGER – GHG / GOADS
(337) 839-1075 xt 272
mbegnaud@hlpengineering.com

this issue

- Subpart W of GHG MRR – 2011 Success **P.1**
SWPPP for O&G E&P **P.2**
LDEQ: NORM Requirements for O&G **P.2**
LDEQ Air Permitting: What's New **P.3**
TCEQ: Changes to Barnett Shale **P.3**
Subpart OOOO – Update/Clarification **P.4**

Subpart W of the GHG MRR – 2011 GHG Reporting = Success!

Subpart W of 40 CFR Part 98, Greenhouse Gas Mandatory Reporting Rule (GHG MRR), requires applicable oil and gas facilities to record, calculate, and report GHG emissions from several source types.

On August 24, 2012, EPA finalized the proposed rule with technical corrections and clarifications to the GHG MRR from May 21, 2012. Data collection requirements, source types that require emission reporting, and the applicable industry segments did not change. The reporting threshold remains 25,000 metric tons CO₂ equivalent or more per year. The population emission factors used to calculate fugitive emissions and the density of methane were corrected. The deadline for submitting annual reports for the 2011 calendar year to EPA was September 28, 2012. The deadline for submitting requests to

extend the use of BAMM (best available monitoring methods) for the 2013 calendar year was October 1, 2012. Annual reports and BAMM requests must be submitted to EPA via e-GGRT (Electronic Greenhouse Gas Reporting Tool).

All Subpart W annual reports for the 2011 calendar year for our GHG clients were submitted to EPA on time.

The deadline for submitting annual reports for the 2012 calendar year to EPA is March 31, 2013.

Please contact HLP if you have any questions about the GHG MRR, e-GGRT, and/or your company's GHG applicability.

This bulletin is intended to highlight recent environmental developments that may impact the oil and gas industry. As a service, HLP Engineering will continue to keep abreast of various changes and attempt to convey these developments through publications such as these. Any comments, requests for further information or specific advice concerning these or other environmental topics are certainly welcome and can be relayed to the appropriate contacts listed.

Storm Water Pollution Prevention Plans for Oil & Gas E&P

A Storm Water Pollution Prevention Plan (or SWPPP) can be required in a variety of instances during the exploration and production of oil and gas in the State of Louisiana. The SWPPP is a requirement of a facility's water discharge permit. If your facility discharges waste water (including storm water) via a LAG330000 (Coastal) or LAG260000 (Territorial Seas) Discharge permit, and experiences a reportable quantity release of oil or a hazardous substance into storm water, the operator must prepare and implement a SWPPP within 60 days of the release. Should your facility discharge storm water via a LAG050000 (Multi Sector General Storm Water Permit or MSGP), a SWPPP is required prior to submittal of a Notice of Intent to Discharge (NOI). Individual discharge permit requirements for a SWPPP may vary and your permit should be referenced for specific requirements. Implementation of a SWPPP at your facility would entail annual reviews, facility inspections, best management practices, and recordation requirements in order to remain compliant. For further information regarding the need for an LPDES discharge permit and/or a SWPPP, please contact an HLP Engineering representative at (337) 839-1072.

LDEQ: NORM Requirements for Oil and Gas Facilities

Regulations applicable to Naturally Occurring Radioactive Materials (NORM) can be found in Louisiana Administrative Code, Title 33, Part XV, Chapter 14. NORM are a broad group of radioactive substances found naturally in our environment and may occur in crude oil, natural gas, and other substances extracted from the ground. These radioactive materials would then deposit themselves onto the pipes, compressors, and other production equipment and vessels used in the manufacturing and storage processes at oil and gas facilities. When these streams are pumped out of the ground, NORM can also plate out onto pipe scale or collect in precipitates.

NORM regulations require a confirmatory survey for each potentially contaminated site and require follow-up confirmatory surveys whenever activities at the site could result in a possible change in the regulatory status of the site. If the survey detects NORM above the regulatory threshold

levels, the facility is required to register for a NORM license with the Louisiana Department of Louisiana Quality (LDEQ).

The presence of NORM must be communicated to employees. This can be accomplished by posting form DRC-3 "Notice To Employees". Equipment in service is exempt from labeling and marking according to LAC 33:XV.454.6. However, the DEQ Radiation Protection Division "Implementation Manual for Management of NORM in Louisiana", recommends the general licensee attempt to communicate the presence of NORM contamination above 50 $\mu\text{r/hr}$ to field workers by attaching a metal tag, a plastic placard, or spray painting information on pieces of equipment that are NORM contaminated. NORM readings greater than 2000 $\mu\text{r/hr}$ on equipment must have restricted access. NORM readings greater than 5000 $\mu\text{r/hr}$ should be labeled with - "Caution: Radiation Area".

If the facility has equipment which is contaminated with NORM, maintenance cannot be performed on

the equipment by the facility operator unless the operator satisfies other requirements (i.e. Worker Protection Plan). General licensees performing on-site maintenance on contaminated facilities, sites, or equipment are required to establish and submit written procedures to the LDEQ-Office of Environmental Compliance, Emergency and Radiological Service Division. These procedures should outline measures taken to protect workers during the survey (or screening) of sites and equipment. If the operator does not wish to establish a Worker Protection Plan, an outside consulting company certified to remove NORM may be used.



HLP Engineering Environmental Management Database

For information on accessing HLP Engineering's Environmental Management Database, please visit www.hlpengineering.com or contact HLP Engineering to request log on information. An HLP representative will be happy to assist you with navigating the system and getting the most out of this management tool.



TCEQ Proposes Changes to Barnett Shale Region

The TCEQ has published proposed revisions to both the Standard Permit and Permit by Rule used to authorize oil and gas facilities in the Barnett Shale region. These revisions would remove Archer, Bosque, Clay, Comanche, Coryell, Eastland, Shackelford, and Stephens counties from Barnett Shale region. Facilities in these counties would now be able to obtain authorization using other types of Standard Permits and PBRs. The TCEQ has also proposed to amend the Barnett Shale PBR in order to extend the deadline for owners and operators of existing facilities in the Barnett Shale regions to notify the TCEQ of their location and method of authorization from January 1, 2013 to January 5, 2015.

LDEQ AIR PERMITTING: WHAT'S NEW

Changes to the MSOG Permit

LDEQ has initiated revisions to the Minor Source Air General Permit for Crude Oil and Natural Gas Production to incorporate various changes. These revisions are being made to:

- incorporate the provisions of 40 CFR 60-Subpart OOOO and amendments to 40 CFR 63 Subpart HH;
- address various applicable federal and state regulations promulgated or modified after August 29, 2010; and
- expand the "Special Provisions for Certain Types of Equipment" section to address additional components.

These revisions are still in draft form and the final version has not yet been approved; however, as per LDEQ guidance, facilities subject to Subpart OOOO can still request coverage under the General Permit.

SOGA Conversion Project

Earlier this year, LDEQ initiated a project to allow operators a simple mechanism to convert SOGA permits for facilities that were no longer eligible for coverage to individual minor or minor source general permits. Letters were sent out with the intention of targeting one region at a time. To date, letters have been sent out in the Capital, Acadiana, Southeast and Northeast Regions. Please note that if a letter is received, a response to LDEQ is required in a timely manner. Not responding could result in an enforcement action.

Regulatory Permits

In response to comments from the regulated community, LDEQ has proposed a list of possible regulatory permits that could be issued as well as modifications that could be made to existing regulatory permits. These proposals affecting the oil & gas industry are as follows:

- to extend the 10 operating day limit for oil and gas well tests such that more tests can be covered under the regulatory permit.
- to create a Regulatory Permit for Non-Emergency Stationary Engines
- to create a Regulatory Permit for Storage Tanks

It should be noted that these changes have not even reached the draft phase; therefore, timing on approval is unknown at this time.

REPORTING REMINDERS

FEDERAL

~2012 GHG – March 31st

LOUISIANA

- ~Discharge Monitoring – January 28th
- ~SARA Tier II's – March 1st
- ~Oil Loadout/Throughput – February 15th or March 31st
- ~Title V Annual Compliance – March 31st
- ~Title V Semiannual Monitoring – March 31st
- ~Equipment Runtime – March 31st
- ~Semiannual General Condition R&XI – March 31st
- ~Emissions Inventory – April 30th

TEXAS

- ~Emissions Inventory – March 31st
- ~Mass Emissions Cap & Trade Program
- NOx Allowances obtained by – March 1st
- NOx Credits in Accounts by – January 31st

MISSISSIPPI

- ~Title V Annual Compliance – January 31st
- ~Title V Semiannual Monitoring – January 31st
- ~Synthetic Minor Permit Monitoring - January 31st





40 CFR 60 – Subpart OOOO: Update & Clarifications

On August 16, 2012, 40 CFR 60-Subpart OOOO was published in the federal register. This final rule is effective on **October 15, 2012** and applies to the following new sources that begin construction (equipment order date), and existing sources that are modified or reconstructed, after **August 23, 2011**:

- Hydraulically fractured or refractured gas wells
- Centrifugal compressors using wet seals
- Reciprocating compressors
- Continuous bleed pneumatic controllers
- Storage Vessels
- Sweetening Units located at gas processing plants
- Natural Gas Processing Plants

The following clarifications have been made since publication of the final rule.

Hydraulically Fractured or Refractured gas wells:

- If an owner or operator is required to submit pre-notification two (2) days prior to the commencement of a well completion operation, an email or written notification must be submitted to the EPA regional office.
- Digital photographs of gas well affected facilities are only required to be taken and

submitted if an owner or operator chooses to use the streamlined alternative annual report in lieu of the standard annual report.

Centrifugal and Reciprocating Compressors:

- Compressors located at a well site, or an adjacent well site and servicing more than one well site, are not considered affected sources.
- Relocated compressors (moved to a separate facility owned and operated by the same entity) are not affected facilities - unless modified or reconstructed.
- For affected compressors constructed or reconstructed on or after October 15, 2012, notifications of construction, initial startup, and physical or operational changes, as required under 60.7(a)(1),(3), and (4), are required to be submitted within the timeframes of that regulations.
- For affected compressors constructed or reconstructed prior to October 15, 2012, a notification of the actual date of initial startup, as required under 60.7(a)(3), must be postmarked by October 30, 2012. Notifications under 60.7(a)(1) and (4) are not required for affected compressor constructed or reconstructed prior to October 15, 2012.

Storage Vessels

- 6 TPY VOC applicability limit is for each individual storage vessel.

- Only storage vessels with potential to emit (PTE) of at least 6 TPY of VOC emissions are regulated under the NSPS. Therefore, when determining applicability, emissions can be evaluated after controls are implemented only if those controls are enforceable.
- Storage vessels with PTE less than 6 TPY VOC are still applicable to the recordkeeping and reporting requirements of this regulation.
- Once controls are installed on a storage vessel to comply with this regulation, they must remain in place regardless if VOC emissions drop below 6 TPY.
- The final rule includes not only those storage vessels located at well sites but also those located in the oil and gas production segment, natural gas processing segment, or natural gas transmission and storage segment. Therefore, storage vessels at booster and compressor stations and those associated with mid-stream operations, are applicable.

HLP Engineering is committed to staying abreast of the requirements of this regulation as well as to clarifying uncertainties expressed by owners and operators of potentially applicable sources. If you have any questions or concerns, please contact us.